

NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED
STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 31 MARCH 2010

DONATIONS & FUNDRAISING INCOME	2009	2010
	\$	\$
Donations – Grants	-----	10,000.00
Donations – Brain Tumour Research	50,000.00	-----
Donations – Paediatric Appeal	-----	5,960.20
Donations – Bequests	1,000.00	10,000.00
Donations – In Memoriam	4,500.00	4,584.67
Donations – General	52,359.50	73,668.10
Fund Raising – Functions Surplus	17,205.91	11,093.06
– Charity Card Surplus	3,549.25	3,436.73
Members' Subscriptions	940.94	1,037.26
	-----	-----
TOTAL DONATIONS & FUNDRAISING INCOME	129,555.60	119,780.02
	-----	-----
Less RESEARCH GRANT EXPENDITURE	\$	\$
NRF Chair of Neurosurgical Research Fellowship	50,000.00	50,000.00
Paediatric Appeal	50,000.00	-----
Brain Tumour Research	50,000.00	-----
Trigeminal Pain Research	31,672.24	-----
Parkinson's Research	24,426.76	10,000.00
	-----	-----
	206,099.00	60,000.00
	-----	-----
SURPLUS/(DEFICIT)–DONATIONS/FUNDRAISING	(76,543.40)	59,780.02
	-----	-----
INVESTMENT INCOME	\$	\$
Interest - Bank SA	1,099.45	210.86
- Bank SA – Term Deposits	42,383.40	26,247.91
- Adelaide Bank – Money Market	43,981.65	19,523.44
- ANZ Bank – Bank Bills	8,229.40	-----
Unrealised Gain - Perpetual Managed Investment	-----	14,946.79
	-----	-----
TOTAL INVESTMENT INCOME	95,693.90	60,929.00
	-----	-----
Less ADMINISTRATION EXPENSES	\$	\$
Postage, stationery and telephone	11,918.94	13,942.39
Printing Annual Report and Newsletters	5,799.64	8,535.42
Promotion and Development – Staff	54,065.75	60,443.09
Promotion and Development – Materials	-----	6,735.01
Other Expenses	9,819.13	7,413.67
Depreciation and Amortisation	1,304.01	2,177.00
	-----	-----
	82,907.47	99,246.58
	-----	-----
SURPLUS/ (DEFICIT) FOR YEAR – NRF TRUST FUND	(191,152.43)	3,502.71
	-----	-----
TOTAL SURPLUS/ (DEFICIT) FOR YEAR	\$ (254,909.40)	\$ 24,965.15
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NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	2009	2010
	\$	\$
ACCUMULATED FUNDS – CORPUS	1,200,000.00	1,200,000.00
ACCUMULATED FUNDS – OTHER	58,151.88	79,614.32
ACCUMULATED FUNDS – TRUST FUND	76,369.99	79,872.70
	<u>-----</u>	<u>-----</u>
TOTAL ACCUMULATED FUNDS	\$ 1,334,521.87	1,359,487.02
	<u>-----</u>	<u>-----</u>
 CURRENT ASSETS	 \$	 \$
Bank SA – Gift Fund	8,129.66	-----
Bank SA – Cheque Account	11,349.72	38,259.73
Bank SA – Term Deposits	738,695.42	360,044.60
Adelaide Bank – Money Market	640,299.67	-----
NRF Trust Fund Cash Assets	76,369.99	79,872.70
Sundry Debtor – GST Receivable	1,910.07	-----
Inventories Charity Card Shop	4,250.00	4,179.00
Sundry Debtor – Card Shop Sales	233.20	263.62
Prepayments – Functions	-----	6,628.43
Deposit – Public Trustee	5,000.00	5,000.00
	<u>-----</u>	<u>-----</u>
TOTAL CURRENT ASSETS	1,486,237.73	494,248.08
	<u>-----</u>	<u>-----</u>
NON CURRENT ASSETS		
Office Equipment and Computer Software	7,405.00	5,228.00
Perpetual Managed Investment	-----	1,014,946.79
NRF Trust Fund Non Current Assets	-----	-----
	<u>-----</u>	<u>-----</u>
TOTAL NON CURRENT ASSETS	7,405.00	1,020,174.79
	<u>-----</u>	<u>-----</u>
TOTAL ASSETS	1,493,642.73	1,514,422.87
	<u>-----</u>	<u>-----</u>
 LIABILITIES		
CURRENT LIABILITIES	\$	\$
Sundry Creditors – Grants for Research	156,099.00	131,672.24
– Expenses	323.28	2,347.26
– GST Payable	-----	541.35
Income in Advance – Functions	2,698.58	20,375.00
NRF Trust Fund Liabilities	-----	-----
	<u>-----</u>	<u>-----</u>
TOTAL LIABILITIES	159,120.86	154,935.85
	<u>-----</u>	<u>-----</u>
NET ASSETS	\$ 1,334,521.87	\$ 1,359,487.02
	<u>-----</u>	<u>-----</u>

STATEMENT TO CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2010

	Accumulated Funds - Corpus	Accumulated Funds - Other	Accumulated Funds – NRF Trust Fund	Accumulated Funds Total
Balance as at 1/04/2009	1,200,000.00	58,151.88	76,369.99	1,334,521.87
Current Year Surplus/ (Deficit)		21,462.44	3,502.71	24,965.15
	<u>1,200,000.00</u>	<u>79,614.32</u>	<u>79,872.70</u>	<u>1,359,487.02</u>
Balance as at 31/03/2010				

	Accumulated Funds - Corpus	Accumulated Funds - Other	Accumulated Funds – NRF Trust Fund	Accumulated Funds Total
Balance as at 1/04/2008	1,200,000.00	121,908.85	267,522.42	1,589,431.27
Current Year Surplus/ (Deficit)		(63,756.97)	(191,152.43)	(254,909.40)
	<u>1,200,000.00</u>	<u>58,151.88</u>	<u>76,369.99</u>	<u>1,334,521.87</u>
Balance as at 31/03/2009				

NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2010**

	2009	2010
	\$	\$
Cash flows from Operating Activities		
Cash receipts from donations & fundraising	131,596.88	137,426.02
Cash payments for research grants	(134,426.76)	(84,426.76)
Cash flows from operating activities – NRF Trust Fund	(200,000.00)	-----
Total Cash flows from operations	<u>(202,829.88)</u>	<u>52,999.26</u>
 Cash flows from Investing Activities		
Interest Received	95,693.90	45,982.21
Payment for Office Equipment	(8,709.01)	-----
Acquisition of Deposit – Public Trustee	(5,000.00)	-----
Acquisition of Managed Investment – Perpetual	-----	(1,000,000.00)
Cash payment to Suppliers & Employees (Note 4)	(79,604.68)	(99,151.61)
Cash flows from investing activities – NRF Trust Fund	8,847.57	3,502.71
Total Cash flows from investing activities	<u>11,227.78</u>	<u>(1,049,666.69)</u>
 Net Increase/(decrease) in cash and cash equivalents	(191,602.10)	(996,667.43)
Cash and cash equivalents at 1 April	<u>1,666,446.56</u>	<u>1,474,844.46</u>
Cash and cash equivalents at 31 March	<u>\$ 1,474,844.46</u>	<u>\$ 478,177.03</u>

NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report in order to satisfy the financial reporting requirements of the Associations Incorporations Act 1985. The Council has determined that the Foundation is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporations Act 1985 and the recognition and measurement aspects of all applicable Australian Accounting Standards, adopted by Australian Accounting Standards Board (AASB) and other authoritative pronouncements of the AASB that have a material effect. The financial report does not include the disclosure requirements of the following pronouncements having no material effect:

AASB 7	Financial Instruments: Disclosures
AASB 8	Operating Segments
AASB 102	Inventories
AASB 112	Income Taxes
AASB 116	Property, Plant and Equipment
AASB 124	Related Party Disclosures
AASB 132	Financial Instruments: Presentations
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 139	Financial Instruments: Recognition and Measurement

The following accounting policies have been adopted in the preparation on the financial statements:

(a) Basis of Accounting:

Donations are recorded on a cash basis. Fundraising income and interest income is accounted for on an accruals basis. Expenses are accounted for net of GST when paid with input credits being refundable.

(b) Income Tax:

The Foundation has been endorsed as an Income Tax exempt Charity (ITEC) and a Deductible Gift Recipient (DGR).

(c) Investments:

Investments are valued at fair value at balance date being the market value per the portfolio valuation. Unrealised gains and losses arising from changes in the fair value of investments are recognised in the Income Statement.

(d) Depreciation of Fixed Assets:

Office equipment and computer software are depreciated on a prime cost basis at 25% per annum.

(e) Corpus and Funds Available for Grants:

An amount of \$1,200,000.00 has been allocated to a corpus fund and the investment earnings on this corpus is used to fund the administration expenses. In addition, 80% of all monies raised and donated in a financial year can be used to fund neurosurgical research and the remaining 20% can be added to the corpus and retained for future research grants.

(f) Inventories:

Inventories are measured at the lower value of cost and net realisable value.

NOTE 2:

In September 1995, the Foundation received a bequest of \$71,672.24 from Estate D S Moten, with the understanding that these monies be used for trigeminal pain research. As at 31 March 2008, grants of \$40,000 had been spent against this amount, and the remaining balance of \$31,672.24 was allocated in the year ended 31 March 2009.

In February 2008, the Foundation received a bequest of \$48,853.52 from Estate J E Hutchesson with the understanding that these monies be used for Parkinson's disease research. As at 31 March 2008, a grant of \$24,426.76 has been spent against this amount, and the remaining balance of \$24,426.76 was allocated in the year ended 31 March 2009.

NOTE 3:

A summary of fundraising income and expenses is as follows:

Function:	Income	Expenses	Net Surplus
Coopers Open day	11,444.58	351.52	11,093.06
Charity Card Shop	7,457.73	4,021.00	3,436.73

The total fundraising surplus of \$14,529.79 was applied to the Grants for research payments of \$100,000.00.

NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

NOTE 4:

The total Administration Expenses of the fund has been allocated on the following basis.

	Fundraising	Administration	Total Expenses
Postage, Stationery and Telephone	5,576.95	8,365.44	13,942.39
Printing, Report and Newsletters	3,414.17	5,121.25	8,535.42
Promotion and Development – Staff	24,177.24	36,265.85	60,443.09
Promotion and Development - Materials	6,735.01	-----	6,735.01
Sundries	2,965.47	4,448.20	7,413.67
Depreciation and Amortisation	870.80	1,306.20	2,177.00
	<u>43,739.64</u>	<u>55,506.94</u>	<u>99,246.58</u>

NOTE 5: RECONCILIATION OF CASH FLOWS FROM OPERATING & INVESTING ACTIVITIES

Cash flows from operating & investment activities	2009	2010
	\$	\$
Surplus/(Deficit) for the period	(254,909.40)	24,965.15
Adjustments for:		
Unrealised gain - Managed Investment	-----	(14,946.79)
Depreciation & Amortisation	1,304.01	2,177.00
Change in Assets & Liabilities:		
Decrease/(Increase) in Current Assets	2,652.89	(4,677.78)
Decrease/(Increase) in Managed Investment	-----	(1,000,000.00)
Decrease/(Increase) in Deposit – Public Trustee	(5,000.00)	-----
Decrease/(Increase) in Office Equipment	(8,709.01)	-----
(Decrease)/Increase in Current Liabilities	73,059.41	(4,185.01)
	<u>-----</u>	<u>-----</u>
Cash flows (used in)/provided by operating & investment activities	(191,602.10)	(996,667.43)
	<u>-----</u>	<u>-----</u>

NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED
STATEMENT BY MEMBERS OF THE COMMITTEE

The Council of the Neurosurgical Research Foundation Incorporated has determined that it is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements. In the opinion of the Council the financial report:

1. Present fairly the results of the operations of the Foundation for the financial year ended 31 March 2010 and the state of affairs of the Foundation as at the end of that financial year; and
2. The Council has reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

This statement has been made in accordance with a resolution of the Council and is signed by two members of the Council.

Dated this 23rd day of Sept 2010.



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President – J B North



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Honorary Treasurer – M K Zerner

REPORT OF COMMITTEE

In accordance with Section 35(5) of the Associations Incorporation Act 1985 (as amended), the council of the Neurosurgical Research Foundation Incorporated hereby states that during the financial year ended 31 March 2010 other than salaries due to officers of the Foundation:

- (a)
- (i) no officer of the Foundation;
 - (ii) no firm of which an officer is a member; and
 - (iii) no body corporate in which an officer has a substantial financial interest,

has received or come entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Foundation.

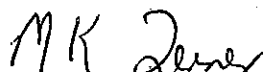
- (b) No officer of the Foundation has received directly or indirectly from the association any payment or other benefit of a pecuniary value.

This report is made in accordance with a resolution of the committee and signed by two members of the committee.

Dated this 23rd day of Sept 2010.



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President – J B North



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Honorary Treasurer – M K Zerner



Independent audit report to the Members of Neurosurgical Research Foundation Inc

We have audited the accompanying financial report, being a special purpose financial report, of Neurosurgical Research Foundation Inc ("the Foundation"), which comprises the Statement of Financial Position as at 31 March 2010, the Statement of Comprehensive Income, Statement of Changes in Equity, the Cash Flow Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes set out on pages 1 to 6.

Committee's responsibility for the financial report

The Committee of the Foundation are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Associations Incorporation Act 1985* (as amended) and are appropriate to meet the needs of the members. The Committee's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Note 1 to the financial statements so as to present a view which is consistent with our understanding of the Foundation's financial position, and of its performance and cash flows.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee's financial reporting obligations under the *Associations Incorporation Act 1985* (as amended) and its constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Qualification

The Foundation has determined that it is not practical to establish controls over monies received from donations and fundraising activities prior to its entry in financial records. Accordingly, as the evidence available regarding revenue from these sources is limited, audit procedures with respect to monies received from donations and fundraising activities had to be restricted to the amounts recorded in the financial records. We therefore, are unable to express an opinion whether the revenue from donations and fundraising activities in the financial records is complete.

Auditor's Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed:

- a) the financial report presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of Neurosurgical Research Foundation Inc as of 31 March 2010 and the results of its operations and its cash flows for the year then ended; and
- b) the financial report is also in accordance with the *Associations Incorporation Act 1985* (as amended).

KPMG

Neil Faulkner
Partner

Adelaide

24 September 2010